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Argentina

Honey

Honey Annual

1999

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Report Highlights:

Honey production in Argentina varies directly with weather conditions. However, in general output is expected to continue to expand slowly in the next couple of years due to a greater number of colonies. Honey exports are expected to increase only if adverse production conditions in the other major trading countries reduce competition for Argentine product in world markets. On the positive side for the industry, some Asian markets have shown interest in purchasing Argentine product.

SECTION I. SITUATION AND OUTLOOK 1

 Production 1

 Table 1. Average estimated honey production by province 2

 Consumption 2

 Prices 3

 Trade 3

 Policy 3

 Marketing 4

SECTION II. STATISTICAL TABLES 4

 Table 2. Honey Supply and Demand 4

 Table 3. Honey Exports 5

 Table 4. Honey Imports 6

 Table 5. Honey Prices 7

SECTION I. SITUATION AND OUTLOOK

Production

Argentina is the third largest honey producer in the world, after China and the United States, and the second ranking honey exporter.

The provinces of Buenos Aires, Entre Rios, La Pampa, Cordoba, and Santa Fe, account for 80 percent of the country's total honey production, while the remaining 20 percent is distributed among 10 other provinces.

The Argentine Department of Agriculture has recently revised their estimates upward on honey production for the last several years; therefore, post is modifying honey PS&D tables accordingly. Stock figures were revised downward based on industry information.

Argentine honey production in 1998 was reported by the Secretariat of Agriculture at 75,000 metric tons, or 7 percent higher than the previous year, as weather conditions in some provinces were not as severe as previously reported. Honey output for 1999 (harvested from October 1998 through March 1999) is forecast at a record 85,000 metric tons, up 8 percent year to year. This increase is attributed to higher yields due to excellent weather conditions and an increase in colony numbers, presently estimated at 2.2 million, distributed among 28,000 producers.

As shown in the table below, honey producers have expanded their colonies to several new provinces in order to increase overall output.

Table 1. Average estimated honey production by province

PROVINCE	COLONIES	PRODUCTION (M. TONS)
Buenos Aires	1400000	41000 (1)
Santa Fe	n/s	10000 (1)
Cordoba	299000	10000
Entre Rios	251000	6800
La Pampa	100165	6010
Tucuman (2)	18000	700
Chaco	14000	350
Rio Negro (2)	20000	600
Corrientes	n/a	400 (1)
Formosa	n/a	120
Mendoza	27000	900
Santiago del Estero	33600	1240
La Rioja (2)	2385	15
San Luis	20000	75
Salta (2)	2550	76
TOTAL	2187700	78945

(1) = estimates

(2) = new producing provinces

Consumption

In Argentina domestic honey consumption fluctuates according to the size of domestic honey output and/or quantity exported. In 1998, per capita honey consumption was estimated at 161 grams as a result of slightly reduced exports. Per capita household honey consumption in 1999 is forecast at 195 grams, reflecting larger domestic supplies. Retail honey prices vary according to brand and color. First quality (amber color) sells for 3.70 pesos, packed in jars of 500 grams.

Prices

Currently, the price of paid for honey to producers is US\$ 0.75 - 0.80 per kilogram versus an average of US\$ 1.14 in 1998. During the January-April 1999 period, average export prices for honey are quoted at US\$ 1.13 per metric ton, fob Buenos Aires, against an average 1998 export price of US\$ 1.14 per ton. The reason for the slight decrease in export price is that other producing honey countries, such as the United States, Mexico and Canada, had very good honey crops, negatively affecting demand for Argentina's output.

Trade

Argentina honey is exported during the entire year, with the heaviest export flow taking place from March through May as the harvest becomes available to world markets. Nearly 93 percent of the honey is exported in bulk in drums of 300 kilograms each. Only a small amount is exported as fractioned, especially to Mercosur countries. The principal importing countries buy the honey in bulk because is less expensive. The honey is then mixed and packed with production from other sources and re-exported to other countries such as the European Union.

Total Argentine honey exports during CY 1998 totaled 69,306 metric tons, down 2 percent from the previous year. Total export value was US\$ 89.3 million. The primary reason for the slight decline in exports is that the United States purchased 35 percent less than in 1997, mainly due to that country's good honey harvest. However, this was in part offset by Germany which continues to be the number one market for Argentina taking in 118 percent more honey in 1998 than in 1997.

During January-April 1999, Argentina exported 28,107 metric tons of honey, valued at US\$ 32.1 million, versus 29,567 metric tons valued at US\$ 38.8 during the comparable period a year earlier. This slight decrease in exports in 1999 is due to a reduction in world honey supplies.

Argentine honey exports in CY 1999 are predicted at 75,000 metric tons, primarily due to a record high honey harvest. Reportedly, Saudi Arabia, Oman, and Lebanon are interested in purchasing fractioned honey from Argentina during 1999. Saudi Arabia is presently buying honey from Argentina, but in bulk.

Imports of honey during CY 1998 totaled 21 tons, 10 tons came from France and 8 from Chile. During the first four months of 1999 only 5 tons were imported from France. Total honey imports in CY 1999 are forecast at 20 metric tons.

Policy

Argentina has no import quotas. The import tax for honey into Argentina from extra-Mercosur origins is 19 percent and zero percent from Mercosur countries. A 0.5 percent statistical tax is also charged to all origins.

By Resolution 967/99, effective August 4, 1999, honey exports are granted a 10 percent export rebate, an increase from 8.1 percent in force previously. This increase was requested for a long time by honey producers to be able to pay for manual labor and add value to promote the consumption of packed honey prepared for internal consumption.

Marketing

Beekeeping in Argentina has been growing during the last few years and the outlook for an expansion in production is highly favorable, primarily if foreign markets continue to demand more product.

SECTION II. STATISTICAL TABLES

Table 2. Honey Supply and Demand

PSD Table						
Country:	Argentina					
Commodity:	Honey					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Commercial Colonies	1700	1700	1710	2000	0	2100
NonCommercial Colonies	100	100	100	100	0	100
TOTAL Colonies	1800	1800	1810	2100	0	2200
Beginning Stocks	3488	3071	3052	0	0	0
Production	57000	70000	65000	75000	0	85000
Imports	123	171	100	21	0	20
TOTAL SUPPLY	60611	73242	68152	75021	0	85020
Exports	53559	70422	62000	69306	0	75000
Domestic Consumption	4000	2820	4000	5715	0	7020
Ending Stocks	3052	0	2152	0	0	3000
TOTAL DISTRIBUTION	60611	73242	68152	75021	0	85020

Table 3. Honey Exports

Export Trade Matrix			
Country:		Units:	M. Tons
Commodity:			
Time period:	CY		
Exports for	1997		1998
U.S.	47465	U.S.	30977
Others		Others	
Germany	9625	Germany	20988
Italy	5127	Italy	6671
Canada	79	U.Kingdom	1925
Japan	1391	Japan	858
U. Kingdom	2252	Ireland	779
Ireland	782	S. Arabia	770
Brazil	519	Spain	2288
S. Arabia	739	Brazil	1085
Sweden	414	Portugal	101
Netherlands	258	Belgium	879
Total for Others	21186		36344
Others not listed	1771		1985
Grand Total	70422		69306

Table 4. Honey Imports

Import Trade Matrix			
Country:		Units:	M. Tons
Commodity:			
Time period:	CY		
Imports for	1997		1998
U.S.	2	U.S.	2
Others		Others	
Uruguay	158	Chile	8
Brazil	1	France	10
U. Kingdom	1	Brazil	1
France	8		
Germany	1		
Total for Others	169		19
Others not listed	0		0
Grand Total	171		21

Table 5. Honey Prices

Prices Table					
Country:					
Commodity:					
Year:	1999				
Prices in (currency)	US\$	per (uom)	Kilogram		
Year	1998	1999	% Change		
Jan	1.36	1.14	-16.2%		
Feb	1.32	1.28	-3.0%		
Mar	1.31	1.18	-9.9%		
Apr	1.18	1.1	-6.8%		
May	1.23	1.07	-13.0%		
Jun	1.27		-100.0%		
Jul	1.27		-100.0%		
Aug	1.28		-100.0%		
Sep	1.31		-100.0%		
Oct	1.33		-100.0%		
Nov	1.29		-100.0%		
Dec	1.32		-100.0%		